

BOOK 52 PAGE 969
ADJUSTABLE RATE NOTE
(Interest Rate Limit and Payment Cap)

This Note contains provisions allowing for changes in my interest rate every year, subject to the limit stated in this Note. If my interest rate increases, my monthly payments may be higher. If my interest rate decreases, my monthly payments may be lower. I will be able to limit my monthly payment increases to 7 1/2% each year if the provisions of this Note permit me to do so.

Frederick, Maryland
(City) (State)

January 27, 1984

114 West Main Street, Thurmont, Maryland 21788
(Property Address)

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$92,500.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is Colonial Mortgage Corporation of D. C. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on that part of principal which has not been paid, beginning on the date I receive principal and continuing until the full amount of principal has been paid.

Beginning on the date I receive principal, I will pay interest at a yearly rate of 11.00%. The interest rate I will pay will change in accordance with Section 4 of this Note.

The interest rate required by this Section and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the first day of each month beginning on March 1, 1984. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on February 1, 2014, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my monthly payments at 34 North Main Street, Suite 1300, Dayton, Ohio 43402 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$880.90. This amount will change if the interest rate that I must pay changes. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of March, 1985, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 1.91 percentage points (1.91%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limit stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment Amount," and it will be the new amount of my monthly payment unless I choose the amount permitted by Section 4(E) below.

(D) Limit on Interest Rate Changes

My interest rate shall never be greater than 17.00%.

(E) Borrower's Right to Limited Payment Amount

Unless Sections 4(G) and 4(H) below will not permit me to do so, I may choose to limit the amount of my new monthly payment following a Change Date to the amount I have been paying multiplied by the number 1.075. This amount is called the "Limited Payment Amount." If I choose the Limited Payment Amount, I must give the Note Holder notice that I am doing so at least 15 days before my first new monthly payment is due.

BY:

ADJUSTABLE RATE NOTE—Plan A-1—1-4 Family—9/83—FNMA Uniform Instrument